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BEFORE THE ARIZONA CORPORATION COMMISSION

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AZ CORP COMMISSION
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Docket No. E-04204A-06-0783

Notice and Filing of the
Summary Testimony
of

Marshall Magruder

10 September 2007

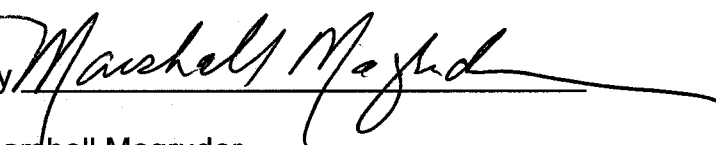
IN THE MATTER OF THE
APPLICATION OF UNS ELECTRIC,
INC. FOR APPROVAL OF THE
ESTABLISHMENT OF JUST AND
REASONABLE RATES AND
CHARGES DESIGNED TO REALIZE
A REASONABLE RATE OF RETURN
ON THE FAIR VALUE OF THE
PROPERTIES OF UNS ELECTRIC,
INC.

As provided by the Procedural Orders of 1 February 2007, 27 March 2007, and 25 June 2007, herein is the Summary Testimony of Marshall Magruder, a Santa Cruz County UNS Electric, Inc. ratepayer.

I certify this filing has been mailed to all known and interested parties in the Service List.

Respectfully submitted on this 10th day of September 2007

MARSHALL MAGRUDER

By 

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Arizona Corporation Commission
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Service List

Original and 17 copies of the foregoing are filed this date with:

Docket Control (13 copies, hand delivered)
one copy for each Commissioner and
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Arizona Corporation Commission

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Summary of Testimony of Marshall Magruder

Marshall Magruder has filed a Motion to Intervene, Direct Testimony, Supplemental Direct Testimony, and Surrebuttal Testimony in this case. Five issues were specifically detailed in these filings that analyzed the proposal with conclusions and specific recommendations.

Issue 1. Demand Side Management Programs. Company proposed seven DSM programs.

- (1) Training and Education, 18 recommendations including a larger integrated program budget;
- (2) Direct Line Control, 9 recommendations, some concern customer safety and new meters;
- (3) Low-Income Weatherization, 3 recommendations;
- (4) Residential New Construction, 4 recommendations, reduced budget \$21,934;
- (5) Residential HVAC Retrofit, 4 recommendations, added \$20,000 for 17/18 SEER units;
- (6) Shade Tree, deleted program with \$65,000 savings; and
- (7) Commercial Facilities Efficiency, 5 recommendations including increased rebate budget.

The reduced first-year DSM Adjustor Surcharge is \$0.00058236/k for \$937,428 expenses. A full-year 2008 DSM Adjustor Surcharge would be \$0.00213188/kWh with a \$3,424,512 budget.

Issue 2. Administrative Issues:

- (1) Billing Schedule, 2 recommendations including conforming to the A.A.R.;
- (2) Predatory loan/check cashing facilities as UNSE Billing agents, 2 recommendations for company, recommend the Commission adopt the National Consumer Law Center policies;
- (3) Revised Billing Statement, 14 recommendations involving format and content; and
- (4) Rules & Regulations Publication, 3 recommendations, use "plain English", provide copies.

Issue 3. Costs to Improve Electricity Reliability in Santa Cruz service area. Due to incomplete a City of Nogales-Citizens Settlement Agreement, an ACC Staff-Citizens Settlement Agreement, and a Program Development Agreement in the CEC Application, all implemented by ACC Orders, 7 recommendations include reducing rate base by \$15,561,520 by not completing 20 utility-pole and 12 underground-cable replacement projects, provide the annual four-year \$3,500 loan/scholarship, re-start the Citizens Advisory Council, work with service communities on rate design, public relations, outage plans, DSM, and others.

Issue 4. CARES/CARES-M Tariffs, 7 recommendations for improvement including adding non-CARES ratepayers who require life support equipment into mandatory first responder notification during any power outage.

Issue 5. EPS and REST Surcharges, 4 recommendations to ensure 100% compliance with REST, all 4 seemingly accepted.

The Company has not responded to most of the over 80 specific recommendations. Several DSM recommendations were accepted.

Some other issues, the TOU "demand" sampling of highest 15 minutes per Peak/Off-Peak period to determine TOU bills, identify the PPFAC Adjustor Surcharge components, new PPA impacts, prudence of present DSM program, reliability of one Nogales substation in the 100-year floodplain, customer "smart" meters, possible double A&G, and have one Santa Cruz-Mohave residential and one small business tariff to eliminate significant county rate differences.